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Richard Keller
Senior Officer for Scientific & Medical Research Facilities
California Institute for Regenerative Medicine
210 King Street
San Francisco, CA 94107

Dear Mr. Keller,

Thank you for the opportunity to review the draft staff analysis. Your summarization of our application is quite accurate. We wish to make only a few comments/corrections to the analysis.

Page 1

1. The sentence: "At occupancy, the facility will house 25 research teams (PIs) of which 7 will be new recruits" should read "At **capacity**, the facility will house 25 research teams (PIs) of which 7 will be new recruits."
2. In the space summaries table, based on the asf values cited, the category "Other Office" should also include "Administration" and the "Administration and Other Support" category should only include "Other Support."

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3. To be consistent with the level of detail of the other numbers in the section, the value of "\$4.8 million" for the contingency should read \$4,870,466 or should be rounded up to read "\$4.9 million."
4. The staff analysis notes that a "significant number of existing equipment was identified for transfer but no cost was noted." This is not accurate. On page 2 of the application, we estimate the value of the equipment to be relocated at approximately \$5 million. The staff analysis also notes "The amount budgeted for equipment is modest (\$99/gsf) relative to the other proposals because the applicant plans to relocate a considerable amount of existing equipment to the building from existing campus and leased space, and plans acquisition of equipment in connection with future recruitments" When the value of the equipment to be relocated is included in the calculation of equipment dollars/gsf, the value increases substantially to \$166/gsf.

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5. The document states that "The following table compares the net leverage for this application (crosshatched) to the other applicants in the category of CIRM Institutes" but there is no cross-hatching in the table. The bar for application 618 should be cross-hatched.

In addition, the staff analysis accurately describes the leverage calculation at 1.23 (including matching funds), but omits any mention of the other substantial investments made by UCSF that amount to additional leverage of multiple millions of dollars. Please see page 2 of our Part 2 application for the following explanation: *"Because UCSF will provide significant leverage to the funds requested from CIRM, the \$40M of CIRM funding requested will result in completion of a \$94.5M project. Details of the leverage calculation value of 1.03 (or 1.23 when including matching funds) can be found in Section 6A and Subpart D. While this leverage is itself substantial, the calculation does not capture some aspects of the extensive investment that UCSF will make in this project. For example, investments that are not included in the Capital Improvement Budget (Subpart C), and therefore are not part of the leverage calculation, include: 1) equipment valued at approximately \$5M that will be relocated to the proposed building to equip 18 of the 25 laboratories; 2) cost savings of \$14M derived by adding capacity to an existing utility plant rather than constructing an independent plant for the IRM building; 3) site work, landscaping, and infrastructure worth \$17M funded by UCSF as a parallel project; 4) funds for recruitment and start-up of new IRM faculty who will be housed both in the building and in the space released by IRM investigators who relocate to the new building."* In addition, on page 31, we detail the value of space in a newly constructed vivarium that has *"capacity designated for all animal housing needs for the proposed IRM building. With more than 7,000 gross square feet (GSF) and over \$2M worth of cages, racks, change stations, and biosafety cabinets, this resource represents a savings of approximately \$9.8M to the IRM building project."* Combined, the investments by UCSF quantified above, would raise the total leverage (including matching funds) from 1.23 to 2.38 times the request for CIRM funding. This calculation does not include the unquantified investment of funds for recruitment and start-up of new IRM faculty who will be housed both in the building and in the space released by IRM investigators who relocate to the new building and the commitment to use space released by investigators relocating to the proposed IRM building for future regenerative medicine recruitments.

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6. The sentence "The institution has prequalified two firms as general contractor" should read "The institution has prequalified two firms as **design-builder**."

7. We request that the sentence "The design-build firm will be selected by the end of April 2008" be extended to read "The design-build firm will be selected by the end of April 2008, **with award in May 2008.**"

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8. We agree with the staff analysis that "The somewhat lower-than-average net-to-gross efficiency of 61.9% is partly due to the linear nature of the constrained site and the tiered structure." Additionally, we note that this slightly reduced efficiency is balanced by the advantages for investigator interaction and communication that are provided by the unique interior layout, connections between the floor-plates, and access to the green roofs.

9. The staff analysis raises the question as to how the Facilities Working Group should consider the "applicant 1,851 asf per researcher, which is considerably less than the institute average of 3,345 asf but must be considered in light of extensive core facilities available at the institution." While the asf per PI may be lower than that of other applicant institutions, it is in keeping with the general allocation of space at UCSF. The average space assignment for the 105 current IRM PIs who are housed on campus (see Part 1 of our application for a complete listing), is 1,626 asf. We note that the asf per PI in the proposed IRM building is approximately 10% higher than the current average. In addition, because vivarium space in an

adjacent building has been designated to support the research of the PIs in the proposed IRM building, this space has not been included in the building. If it had been, the asf per PI would have been approximately an additional 174 asf for a total of 2,025. Working in what would be considered close quarters at other institutions, UCSF PIs have been very successful because they are supported by a wealth of core facilities and an environment that fosters collaboration. Therefore, we strongly agree with the staff analysis that the core facilities, both existing on campus and in the proposed IRM building, must be taken into consideration in any discussion of the asf per PI.

10. The staff analysis points out that our application is unique in that "25,000 asf of existing space to be vacated by this project will be committed to future regenerative medicine recruitments." While we did not include an estimation of the value of this space in our leverage calculation, we strongly support the staff analysis that "Leverage" is the appropriate context in which to consider the significance of this commitment. UCSF's commitment to filling the release space with regenerative medicine research in the future, enables the recruitment of a total of approximately 18 new regenerative medicine researchers, in addition to the 7 who will be housed in the proposed facility. As pointed out by staff analysis, this commitment is unique among applicant organizations, therefore, we argue it should be highly valued.

Thank you again for the opportunity to review the staff analysis of UCSF's Part Two Application. Please do not hesitate to contact me at (415) 476-8312 if you have any additional questions.

Sincerely,

A handwritten signature in cursive script, reading "Lori Yamauchi".

Lori Yamauchi
Assistant Vice Chancellor, Campus Planning

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